



بنك الخليج المتعدد ش.م.ب.
United Gulf Bank B.S.C.

Regulatory Capital Disclosure

30th June 2016





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Regulatory Capital Disclosure – 30th June 2016

Step 1: Disclosure of the reported Balance sheet under the regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data
	30-Jun-16	30-Jun-16
Assets	US\$ 000	US\$ 000
Cash and balances with central banks	199,981	6,863
Due from banks and other financial institutions	218,753	411,872
Investments at fair value through statement of income	51,950	51,950
Loans and advances to customers	1,141,754	1,152,784
Non-trading investments	346,414	819,330
Investments in associated companies	683,604	263,008
Interest receivable and other assets	141,929	142,312
Investment properties	102,148	102,148
Property and equipment	39,581	39,581
Goodwill	52,321	-
Assets of disposal group classified as held for sale	382	-
Total assets	2,978,817	2,989,848
Liabilities		
Due to banks and other financial institutions	725,053	725,054
Deposits from Customers	882,060	882,060
Term borrowings	650,051	650,051
Subordinated debt	123,470	-
Interest payable and other liabilities	62,069	62,287
Liabilities of disposal group classified as held for sale	218	-
Total liabilities	2,442,921	2,319,452
Equity		
Share capital	208,651	190,520
Treasury shares	(18,131)	-
Share premium	11,459	11,460
Statutory reserve	99,888	99,888
General reserve	80,373	80,373
Treasury shares reserve	14,248	-
Cumulative changes in fair values	(53,681)	(53,682)
Foreign currency translation adjustments	(32,260)	(32,260)
Retained earnings	84,731	98,979
Collective impairment provision	-	11,030
Subordinated debts	-	123,470
Attributable to the owners of the Bank	395,278	529,778
Non-controlling interests	107,618	107,618
Perpetual Tier 1 capital facility	33,000	33,000
Total equity	535,896	670,396
Total Liabilities and equities	2,978,817	2,989,848



Step 2: Expansion of the Balance Sheet under Regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	30-Jun-2016	30-Jun-2016	
	US\$ 000	US\$ 000	
Assets			
Cash and balances with central banks	199,981	6,863	
Due from banks and other financial institutions	218,753	411,872	
Investments at fair value through statement of income	51,950	51,950	
Loans and advances to customers	1,141,754	1,152,784	
of which specific provisions	(36,945)	(36,945)	
of which loans and advances (gross of provisions)	1,178,699	1,189,729	
Non-trading investments	346,414	819,330	
of which related to equity investments in financial entities	38,331	38,331	
of which related to CET1	38,331	23,378	a
of which related to Tier 1	-	-	
of which related to Tier 2	-	-	
of which related to other AFS investments	308,083	308,083	
of which equity investments in financial entities	-	487,870	b
Investments in associated companies	683,604	263,008	
of which equity investments in financial entities	500,143	12,273	c
of which other investments	183,461	198,414	
of which Goodwill	-	52,321	d
Interest receivable and other assets	141,929	142,312	
of which deferred tax assets due to temporary differences	23,560	23,560	e
of which Interest receivable and other assets	118,369	118,752	
Investment properties	102,148	102,148	
Property and equipment	39,581	39,581	
Goodwill	52,321	-	
Assets of disposal group classified as held for sale	382	-	
Total assets	2,978,817	2,989,848	



Step 2: Expansion of the Balance Sheet under Regulatory scope of consolidation (continued)

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	30-Jun-2016	30-Jun-2016	
	US\$ 000	US\$ 000	
Liabilities			
Due to banks and other financial institutions	725,053	725,054	
Deposits from Customers	882,060	882,060	
Term borrowings	650,051	650,051	
Subordinated debt	123,470	-	
Interest payable and other liabilities	62,069	62,287	
Liabilities of disposal group classified as held for sale	218	-	
Total liabilities	2,442,921	2,319,452	
Equity			
Share capital (net of Treasury shares)	190,520	190,520	
of which amount eligible for CET 1	190,520	190,520	f
of which amount eligible for AT 1	-	-	
Share premium	11,459	11,460	g
Statutory reserve	99,888	99,888	h
General reserve	80,373	80,373	i
Treasury shares reserve	14,248	-	
Cumulative changes in fair values	(53,681)	(53,682)	
of which unrealized gains and losses on available for sale financial instruments	841	841	j
of which gains and losses on derivatives held as cash flow hedges	(93)	(93)	k
of which unrealized gains and losses from fair valuing equities	(54,429)	(54,430)	l
Foreign currency translation adjustments	(32,260)	(32,260)	m
Retained earnings	84,731	98,979	
of which Treasury shares reserve	-	14,248	n
of which Retained earnings	84,731	84,731	o
Collective impairment provision	-	11,030	p
Subordinated debts	-	123,470	
of which Tier 2 capital instruments	-	64,694	q
Attributable to the owners of the Bank	395,278	529,778	
Non-controlling interests	107,618	107,618	
Perpetual Tier 1 capital facility	33,000	33,000	
Total equity	535,896	670,396	
Total Liabilities and equities	2,978,817	2,989,848	

Step 3: Mapping the components to the composition of capital disclosure templates

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	201,980	f+g
2	Retained earnings	84,732	o
3	Accumulated other comprehensive income and losses (and other reserves)	108,659	h+i+j+l+m+n
4	Not applicable		
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	79,853	
6	Common Equity Tier 1 capital before regulatory adjustments	475,224	
Common Equity Tier 1 capital :regulatory adjustments			
7	Prudential valuation adjustment		
8	Goodwill (net of related tax liabilities)	52,321	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	1,946	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities)	16,608	e
11	Cash flow hedge reserve	(93)	k
12	Shortfall of provisions to expected losses	-	
13	Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14	Not applicable	-	
15	Defined benefit pension fund net assets	-	
16	Investments in own shares	-	
17	Reciprocal cross holdings in Common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	189,861	
20	Mortgage servicing rights (amount above 10% of CET1c)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	115,439	
23	of which: significant investments in the common stock	107,497	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	7,942	
26	CBB specific regulatory adjustments	(113,916)	
	Regulatory Adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-2015 treatments		
	of which: Positive or negative adjustments due to aggregation of CET1	(113,916)	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	262,166	
29	Common Equity Tier 1 capital (CET1)	213,058	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	33,000	
31	of which: classified as equity under applicable accounting standards	33,000	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	6,368	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	39,368	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	CBB specific regulatory adjustments	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	39,368	
45	Tier capital (T1 = CET1 + AT1)	252,426	

Step 3: Mapping the components to the composition of capital disclosure templates (continued)

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
<i>Tier 2 capital: instruments and provisions</i>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	64,694	q
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	14,379	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	11,030	p
51	Tier 2 capital before regulatory adjustments	90,103	
<i>Tier 2 capital: regulatory adjustments</i>			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	90,103	
59	Total capital (TC = T1 + T2)	342,529	
60	Total risk weighted assets	2,266,217	
<i>Capital ratios and buffers</i>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.40%	
62	Tier 1 (as a percentage of risk weighted assets)	11.14%	
63	Total capital (as a percentage of risk weighted assets)	15.11%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.00%	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	N/A	
67	<i>of which: G-SIB buffer requirement</i>	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	9.40%	
<i>National minima (where different from Basel III)</i>			
69	CBB Common Equity Tier 1 minimum ratio	6.50%	
70	CBB Tier 1 minimum ratio	8.00%	
71	CBB total capital minimum ratio	10.00%	
<i>Amounts below the thresholds for deduction (before risk weighting)</i>			
72	Non-significant investments in the capital of other financials	23,378	a
73	Significant investments in the common stock of financials	217,738	b+c
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	16,087	e
<i>Applicable caps on the inclusion of provisions in Tier 2</i>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	11,030	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	25,817	
78	N/A		
79	N/A		
<i>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</i>			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>		
84	Current cap on T2 instruments subject to phase out arrangements		
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>		

Disclosure of main features of regulatory capital instruments

Disclosure of template for main features of regulatory capital instruments					
1	Issuer	United Gulf Bank	United Gulf Bank	United Gulf Bank	FIMBank, Malta
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier)	Share ticker: UGB	Not listed	ISIN: XS0270878506	Not listed
3	Governing law(s) of the instrument	Laws and regulations of Kingdom of Bahrain	Laws and regulations of Kingdom of Bahrain	English Laws and Singapore Stock Exchange	Laws of Malta
<i>Regulatory treatment</i>					
4	Transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CBB rules	Common Equity Tier 1	Eligible	Eligible	Eligible
6	Eligible at solo/group/group & solo	Group and solo	Group and solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Common shares	Perpetual Subordinated Loan	Subordinated Bond	Subordinated Loan
8	Amount recognised in regulatory capital (Currency in mil, as at 30 June 2016)	US\$ 202 million	US\$ 33 million	US\$ 18.7 million	US\$ 50 million
9	Par value of instrument	US\$ 0.25	US\$ 33 million	US\$ 100 million	US\$ 50 million
10	Accounting classification	Shareholders' Equity	Equity	Borrowing	Borrowing
11	Original date of issuance	Various	* Mar-2016	Oct-2006	Sep-2015
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity	No maturity	13-Oct-2016	30-Sep-2020
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Coupons / dividends</i>					
17	Fixed or floating dividend/coupon	Floating dividends	Fixed coupon	Fixed coupon	Fixed coupon
18	Coupon rate and any related index	Not applicable	10.5% p.a.	3 month LIBOR + 2.7%	6 month LIBOR + 3%
19	Existence of a dividend stopper	Not applicable	Yes	Not applicable	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Not applicable	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	Yes	No	No
31	If write-down, write-down trigger(s)	Not applicable	Non-Viability Event	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Partial	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Permanent	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Tier 2 subordinated instruments	None	None
36	Non-compliant transitioned features	None	None	None	None
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable

* The issue of the Additional Tier 1 facility has no impact on the earnings or dividends of the Group.